

POLSINELLI SHUGHART

Daniel J. Flanigan, Esq.
805 Third Avenue, Suite 2020
New York, New York 10022
(212) 684-0199
dflanigan@polsinelli.com

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

Chapter 11

Case No. 12-12020 (MG)

Jointly Administered

VERIFIED STATEMENT PURSUANT TO BANKRUPTCY RULE 2019

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure, Polsinelli Shughart PC ("**Polsinelli**"), as attorneys for the parties listed herein, submits this verified statement (the "**Verified Statement**") and in support thereof states:

Community Bank of Northern Virginia Second Mortgage Lending Practices Litigation

1. R. Frederick Walters and the law firm of Walters Bender Strohbehn & Vaughan, P.C. ("**Walters Bender**") and R. Bruce Carlson and the law firm of Carlson Lynch, Ltd. ("**Carlson Lynch**"), through the court appointment of Messrs. Walters and Carlson as co-lead Interim Class Counsel, represent the putative class ("**Putative Class**") including the class representatives ("**MDL Class Reps**") in the matter *In re: Community Bank of Northern Virginia Second Mortgage Lending Practices Litigation*, MDL No. 1674, United States District Court for the Western District of Pennsylvania (the "**MDL Class Action**"). Walters Bender and Carlson Lynch have retained Polsinelli as bankruptcy counsel to the MDL Class Reps and, as may be

necessary, the Putative Class, in the MDL Class Action. In accordance with Bankruptcy Rule 2019, attached hereto as **Exhibit A** is a list of names and addresses of the MDL Class Reps.

2. On November 2, 2012, through certain of the MDL Class Reps -- Rowena Drennen, Flora Gaskin, Roger Turner, Christie Turner, John Picard, and Rebecca Picard (the "**Class Claimants**")-- Polsinelli, along with co-counsel, filed a Motion to Apply Bankruptcy Rule 7023 (Docket # 2044, the "**Motion**"), a Memorandum in Support (Docket #2045, the "**Memorandum**"), and a Declaration in Support (Docket #2047, the "**Declaration**"), by which the Class Claimants seek to assert, on a class action basis, claims against certain of the Debtors that were pending in the MDL Class Action at the time of the bankruptcy filing. The allegations in the Joint Consolidated Amended Class Action Complaint (the "**Complaint**") in the MDL Class Action, attached to the Declaration, form the basis of the claims and disclosable economic interests of the members of the Putative Class. Those claims rest on violations of the Real Estate Settlement Practices Act, the Truth in Lending Act, the Home Ownership Equity Protection Act and the Racketeer Influenced and Corrupt Organizations Act.

3. In the MDL Class Action, the MDL Class Reps seek to represent themselves and the Putative Class, which class consists of borrowers (class members) in over 44,000 residential second mortgage loan transactions who were charged illegal and excessive settlement and other fees in connection with such second mortgage loans. The Class Claimants seek to represent the Putative Class in the prosecution of class action claims in the above-captioned bankruptcy cases as set forth in the Motion, Memorandum, Declaration, and exhibits thereto.

Mitchell Class Action

4. Polsinelli has also been retained by Walters Bender, class counsel for named plaintiffs Steven and Ruth Mitchell (the "**Mitchells**") and all other members of the RFC

Settlement Class, as defined in paragraph 5 below, all of whom are part of the certified class action entitled Steven and Ruth Mitchell v. Residential Funding Corporation, et al., Circuit Court of Jackson County, Missouri, Case No. 03-CV-770489-1 (the "**Mitchell Class Action**"), as co-bankruptcy counsel to represent the RFC Settlement Class in the above-captioned cases. Attached hereto as **Exhibit B** is the name and address of the named plaintiffs.

5. The Mitchell Class Action involved the claims of Missouri home owners that second mortgage loans they obtained violated Missouri's Second Mortgage Loan Act, RSMo § 408.231 *et seq.* The loans at issue were originated by an entity known as Mortgage Capital Resource Corporation and then acquired by, among others, Residential Funding Company, LLC ("**RFC**"). After a jury verdict in favor of the plaintiff class and an appeal, the remaining claims were settled, including a settlement by those class members whose loans were acquired by RFC (the "**RFC Settlement Class**") in the amount of \$14.5 million dollars. That settlement agreement forms the basis of the respective class and individual claims and disclosable economic interests of the RFC Settlement Class being asserted in the above captioned cases.

6. Nothing contained in this Verified Statement shall be construed as a limitation upon, or waiver of, any rights of any of the MDL Class Reps, the Class Claimants, the Putative Class or the RFC Settlement Class, to assert, file and/or amend claims in accordance with applicable law and any orders entered in these cases establishing procedures for filing of proofs of claim.

7. Upon information and belief formed after due inquiry, Polsinelli does not own any claims against or interests in the Debtors.

8. Polsinelli expressly reserves the right to supplement or amend this Verified Statement in any respect at any time in the future.

9. Submission of this Verified Statement does not constitute the consent of the MDL Class Reps, the Class Claimants, the Putative Class or the RFC Settlement Class, or any member of any of such classes, to the jurisdiction of the Court for any purpose other than with respect to this Statement.

10. The undersigned hereby verifies that this Verified Statement is true and correct to the best of his knowledge.

Dated: New York, New York
December 26, 2012

Respectfully Submitted,

POLSINELLI SHUGHART

By: /s/ Daniel J. Flanigan
DANIEL J. FLANIGAN
805 Third Avenue, Suite 2020
New York, New York 10022
(212) 684-0199
Fax No. (212) 759-8290
dflanigan@polsinelli.com

EXHIBIT A

- a. Ruth J. Davis resides at 302 Trotwood Drive, Coraopolis, Allegheny County, Pennsylvania.
- b. Philip F. Kossler and Jeannie C. Kossler, husband and wife, reside at 127 Huron Drive, Carnegie, Allegheny County, Pennsylvania.
- c. Brian W. and Carla M. Kessler, husband and wife, residing at 6466 State Route 908, Apt. 908, Tarentum, Allegheny County, Pennsylvania.
- d. Patrice Porco resides at 805 Center Avenue, Avalon, Pennsylvania.
- e. Thomas T. Mathis resides at 1435 LaSalle Avenue, Pittsburgh, Pennsylvania.
- f. Stephen R. Haney and Amy L. Haney, husband and wife, reside at 868 Flemington Street, Pittsburgh, Pennsylvania.
- g. John and Rebecca Picard, husband and wife, reside at 5214 Becky Drive, Pittsburgh, Pennsylvania.
- h. William and Ellen Sabo, husband and wife, reside at 3812 Cambria Street, Homestead, Pennsylvania.
- i. Russell and Kathleen Ulrich, husband and wife, reside at 515 Fieldcrest Drive, Pittsburgh, Pennsylvania.
- j. Nora H. Miller resides at 304 Brookston Drive, Cranberry TWP, Pennsylvania.
- k. Robert A. and Rebecca A. Clark, husband and wife, reside at 3020 Hebron Drive, Pittsburgh, Pennsylvania.
- l. Edward R. Kruszka Jr., resides at 1320 Coronado Drive, McKeesport, Pennsylvania.
- m. Tina Merl Boor resides at 231 Marshall St, Perkasio, Pennsylvania 19844-1440.
- n. Martin J. Baratz resides at 1727 Graces Ter, Edmond, Oklahoma 73025.
- o. Clell L. Hobson resides at 5100 Old Birmingham Hwy, Apt. 1001, Tuscaloosa, Alabama.
- p. Rosa Kelly Parkinson resides at 3736 Patti Parkway, Decatur, Georgia.
- q. John and Kathy Nixon, husband and wife, reside at 6701 Hibiscus Lane, Northport, Alabama.
- r. Brian Cartee resides at 125 Palmetto Bay Road, Savannah, Georgia.
- s. Mack and Robin Dorman, husband and wife, reside at 318 Foxwood Circle, St. Mary's Georgia.

- t. Jerome and Charretta Roberts, husband and wife, reside at 415 Suwanee East Drive, Lawrenceville, Georgia.
- u. Melba Brown resides at 2553 Riverside Drive, Mobile, Alabama.
- v. Flora A. Gaskin, resides at 3408 22nd Street, Northport, Alabama.
- w. Roy Lee and Ruthie Mae Logan, husband and wife, reside at 5565 Jug Factory Road, Tuscaloosa, Alabama.
- x. Shawn and Lorene Starkey, husband and wife, reside at 1461 Spruce Ave., Liberty, Missouri.
- y. John and Rowena Drennen, husband and wife, reside at 2703 Bellefontaine Ave., Kansas City, Missouri.
- z. Richard Montgomery resides at 4904 Whitney Drive, Independence, Missouri.
- aa. Tammy and David Wasem, husband and wife, reside at 710 Ballantrae Drive, Wentzville, Missouri.

EXHIBIT B

- a. Steven and Ruth Mitchell, husband and wife, reside at 32302 E. Major Road, Grain Valley, Missouri.